


UNITED STATES BANKRUPTCY COURT District of South Carolina		PROOF OF CLAIM
Name of Debtor: The Cliffs at Keowee Falls Golf & Country Club, LLC		Case Number: 12-01229
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Ellis W. McCracken, Jr. and Jacquelyn J. McCracken		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: George L. Clauer III, Clauer Law Firm, LLC, P. O. Box 477, Salem, SC 29676		
Telephone number: (864) 719-4296		
Name and address where payment should be sent (if different from above): Ellis W. McCracken, Jr. and Jacquelyn J. McCracken, 106 Peaceful Night Trail Travelers Rest SC 29690		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number: (864) 836-3593		
1. Amount of Claim as of Date Case Filed: \$ <u>75,000.00</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
2. Basis for Claim: <u>Membership Fees</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: <u>Em. Bay, Lot 70</u> (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: RECEIVED Value of Property: \$ _____ Annual Interest Rate ____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ MAY 29 2012 Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____ BMC GROUP		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: <div style="border: 1px solid black; padding: 2px; display: inline-block;">05/23/2012</div>		FOR COURT USE ONLY <div style="text-align: center;"> Cliffs POC  00981 </div>
Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Ellis W. McCracken, Jr. and Jacquelyn J. McCracken, By George L. Clauer III, Attorney and Attorney in Fact		

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien

documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

OMB NO. 2502-0265



A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN:	
		1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FmHA 3. <input type="checkbox"/> CONV. UNINS. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> CONV. INS.	
		6. FILE NUMBER: 03-0344C	
		7. LOAN NUMBER:	
8. MORTGAGE INS CASE NUMBER:			
C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. <small>1.0 3/98 (03-0344C.PFD/03-0344C/10)</small>			
D. NAME AND ADDRESS OF BUYER: Ellis W. McCracken Jacquelyn J. McCracken 8220 Residence Court Amelia Island, FL 32034		E. NAME AND ADDRESS OF SELLER: Keowee Falls Investment Group, LLC 301 Beaver Dam Road Travelers Rest, SC 29690	
		F. NAME AND ADDRESS OF LENDER:	
G. PROPERTY LOCATION: Lot 70 C@KFS, Emerald Bay Oconee County, SC Oconee County, South Carolina Lot 70 The Cliffs at Keowee Falls South, Emerald Bay		H. SETTLEMENT AGENT: 57-1014449 Olson, Smith, Jordan & Cox, P.A. PLACE OF SETTLEMENT 600 College Avenue Clemson, SC 29831	
		I. SETTLEMENT DATE: July 28, 2003	
J. SUMMARY OF BUYER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BUYER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract Sales Price	438,500.00	401. Contract Sales Price	438,500.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to Buyer (Line 1400)	1,489.75	403.	
104. KFS Working Capital to Keowee Falls South Homeowne	100.00	404.	
105.		405.	
<i>Adjustments For Items Paid By Seller in advance</i>		<i>Adjustments For Items Paid By Seller in advance</i>	
106. City Taxes	to	406. City Taxes	to
107. County Taxes 07/28/03 to 01/01/04	42.74	407. County Taxes 07/28/03 to 01/01/04	42.74
108. Assessments	to	408. Assessments	to
109. Golf Membership: 1st Installme	25,000.00	409. Golf Membership: 1st Installme	25,000.00
110. Golf Mem: \$50,000 deferred		410. Golf Mem: \$50,000 deferred	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BUYER	463,132.49	420. GROSS AMOUNT DUE TO SELLER	481,542.74
200. AMOUNTS PAID BY OR IN BEHALF OF BUYER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money	10,000.00	501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)		502. Settlement Charges to Seller (Line 1400)	58,886.82
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first Mortgage to Regions Bank/50% net	182,327.81
205.		505. Payoff of second Mortgage	
206.		506.	
207.		507. (Deposit disb. as proceeds)	
208.		508.	
209.		509.	
<i>Adjustments For Items Unpaid By Seller</i>		<i>Adjustments For Items Unpaid By Seller</i>	
210. City Taxes	to	510. City Taxes	to
211. County Taxes	to	511. County Taxes	to
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517. Keowee Falls South A Membershi to Cliffs Golf & Co	25,000.00
218.		518. Club Membership Dues to Cliffs Golf & Country Club	15,000.00
219.		519.	
220. TOTAL PAID BY/FOR BUYER	10,000.00	520. TOTAL REDUCTION AMOUNT DUE SELLER	279,214.83
300. CASH AT SETTLEMENT FROM/TO BUYER:		600. CASH AT SETTLEMENT TO/FROM SELLER:	
301. Gross Amount Due From Buyer (Line 120)	463,132.49	601. Gross Amount Due To Seller (Line 420)	481,542.74
302. Less Amount Paid By/For Buyer (Line 220)	(10,000.00)	602. Less Reductions Due Seller (Line 520)	(279,214.83)
303. CASH (X FROM) (TO) BUYER	453,132.49	603. CASH (X TO) (FROM) SELLER	182,327.91

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Sandra Byder
 authorized Agent

L. SETTLEMENT CHARGES					
700. TOTAL COMMISSION Based on Price		\$ 438,500.00 @ 10.0000 %	43,650.00		
Division of Commission (line 700) as Follows:					
701. \$ 43,650.00 to Cliffs Real Estate, Inc.				PAID FROM BUYER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
702. \$ to					
703. Commission Paid at Settlement					43,650.00
704. to					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee % to					
802. Loan Discount % to					
803. Appraisal Fee to					
804. Credit Report Fee to					
805. Lender's Inspection Fee to					
806. Mortgage Ins. App. Fee to					
807. Assumption Fee to					
808.					
809.					
810.					
811.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest From to @ \$ /day (days %)					
902. Mortgage Insurance Premium for months to					
903. Hazard Insurance Premium for 1.0 years to					
904.					
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001. Hazard Insurance months @ \$ per month					
1002. Mortgage Insurance months @ \$ per month					
1003. City Taxes months @ \$ per month					
1004. County Taxes months @ \$ per month					
1005. Assessments months @ \$ per month					
1006. months @ \$ per month					
1007. months @ \$ per month					
1008. months @ \$ per month					
1100. TITLE CHARGES					
1101. Settlement or Closing Fee to Olson, Smith, Jordan & Cox, P.A.			485.00		
1102. Abstract or Title Search to					
1103. Title Examination to					
1104. Title Insurance Binder to Easley Title Agency			75.00		
1105. Document Preparation to Olson, Smith, Jordan & Cox, P.A.					125.00
1106. Notary Fees to					
1107. Attorney's Fees to					
(includes above item numbers:)					
1108. Title Insurance to Easley Title Agency			864.75		
(includes above item numbers:)					
1109. Lender's Coverage \$					
1110. Owner's Coverage \$ 438,500.00 864.75					
1111. Incoming Wire Fee to Olson, Smith, Jordan & Cox, P.A.			15.00		
1112. Courier Fees to Olson, Smith, Jordan & Cox, P.A.			30.00		30.00
1113.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording Fees: Deed \$ 10.00; Mortgage \$; Releases \$ 6.00			10.00		6.00
1202. City/County Tax/Stamp: Deed 480.15; Mortgage					480.15
1203. State Tax/Stamp: Revenue Stamps 1,134.90; Mortgage					1,134.90
1204. UCC-1 Release to Oconee County Registrar of Deeds					10.00
1205. Oconee County Registrar of Deeds					
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey to					
1302. Pest Inspection to					
1303.					
1304. Charitable Contribution to Cliffs Charity 1% COMBASE					4,365.00
1305. Infrastructure Escrow to Nexsen, Pruet, Jacobs & Pollard					7,085.87
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section I)			1,489.75		58,888.82

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.


Olson, Smith, Jordan & Cox, P.A.
Settlement Agent



For Office Use

Purchaser: _____

File / Control No. _____

CLIFFS AT KEOWEE FALLS SOUTH REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (the "Agreement") made by and between KEOWEE FALLS INVESTMENT GROUP, LLC, a South Carolina limited liability company (the "Seller"), whose mailing address is 1849 Cleo Chapman Highway, Sunset, SC 29685, Attention: Darrell Whitaker, and the below-named purchaser identified in Part I hereof, and when used herein, the terms "you" and "your" will mean the below identified purchaser entering into this Agreement, and "we," "us" and "our" will generally mean Keowee Falls Investment Group, LLC, unless the context clearly refers to both the Seller and the below subscribing purchaser.

Part I. Identifications

A. The Purchaser.

Name: ELLS W. McCracken

Name: Jacquelyn J. McCracken (collectively, if applicable, the "Purchaser")

Address: 8220 RESIDENCE COURT
AMELIA ISLAND, FL 32034

Telephone (Work): _____

Telephone (Home): (904) 261-0230

FAX Number: _____

E-mail Address: _____

Soc. Sec. No: 146-32-2361

Soc. Sec. No: 138-32-9477

B. The Lot and What is Included in Price. The property to be purchased: Section 1A, Lot 70 (the "Lot") at Keowee Falls South.

The Price of your Lot as set forth in Paragraph F of this Part I does not include any amount for a membership in the Cliffs at Keowee Falls South Golf Club, the club to become operational following development of the club's facilities, unless you have executed a separate agreement or addendum hereto, and then only in accordance with the terms and conditions therein provided. You acknowledge that use of the Club's facilities are reserved to its members in accordance with the use rights conferred by the Club Membership Plan for the categories and classifications of membership offered. See Section 6 of Part II on page 6. We will not operate the Club, which will be operated by our affiliate, Cliffs at Keowee Falls South Golf Club.

Check one of the following:

- ☒ You wish to acquire a membership in the Club, either the category conferring golf membership privileges or a Social Athletic Membership, and wish to include the membership deposit in the Purchase Price, and you have attached hereto a signed Membership Inclusion Addendum. You acknowledge that you are guaranteed the availability of a golf membership, as further described in Section 6 of Part II below, only if you acquire one within 30 days following your Closing.
- ☐ You do not wish to acquire a membership in the Club at this time. You understand that membership is subject to availability at the time you may wish to acquire one, and is not guaranteed.

C. Closing Date. The "Closing Date" is on or before 7/28/03.

D. Real Estate Agent and Referral/Co-Broker: TERRY C. HENDERSON

E. Closing Attorney. The "Closing Attorney" is:

OLSON SMITH JORDAN & CO., whose address is:

P.O. Box 1633

CLEMSON SC 29633

Telephone: (864) 654-3680

Fax: (864) 654-3696

F. Payment of Purchase Price. You will pay an amount for your Lot, hereinafter referred to as the "Purchase Price," calculated and in installments as follows:

Total Purchase Price:

\$ 461,500

(i) Initial Earnest Money Deposit. An Earnest Money Deposit paid to Escrow Agent herewith

\$ 10,000

(ii) Additional Deposit Due. An additional Earnest Money Deposit due Escrow Agent within _____ days of the Effective Date hereof:

(\$ _____)

(iii) Balance at Closing. The balance of the purchase price (not including all of your closing costs, prepaids, and escrow deposits required hereunder) in cash or certified funds

\$ 451,500

G. Other Charges and Costs. An estimate of some other charges and costs you will incur, which may change at any time, include:

(i) Architectural Review Fee (When You Submit Your House Plans)

\$ 1,000.00

(ii) Septic Tank Permit Fee (When You Request Installation Permit)

\$ 105.00

H. **Financing.** With respect to Section 2.2 of K of this Agreement, the following checked provision will apply to your financing of the purchase of the Lot

☐ **Financing Contingency.** The purchase of the Lot by you is contingent upon you qualifying for and obtaining a first mortgage loan on terms and conditions set forth in Section 2.2 of not more than ____% of the Purchase Price of the Lot. You promise that, once having obtained preliminary mortgage loan approval, you will take no deliberate action that would cause your financial condition to deteriorate to the extent that the application for a mortgage loan would be subsequently denied.

For Seller

For Purchaser

☒ **No Financing Contingency.** You do not intend to apply for mortgage financing and confirm that financing is not a contingency of the Agreement and your obligation to close the purchase of the Lot for the Purchase Price herein provided.

For Seller

For Purchaser

I. **Association Assessments.** You do hereby acknowledge that the following assessments and working capital contributions applicable to the Lot are due from you at the Closing:

(i) **Keowee Falls South Owners' Association Assessments**
(Prorated to the Closing)

\$ 600.00 per Year

(ii) **Keowee Falls South Owners' Association Working Capital**
Payable at Closing.

\$ 100.00

J. **Name in Which to Title Property.** Insert the name or name to which you wish title to the Lot to be deeded:

ELLIS W. & JACQUELYN J. MCCRACKEN

K. **Escrow Agent.** The "Escrow Agent" is Olson, Smith, Jordan & Cox, Attorneys at Law, whose address is set forth in Section 10.5 of Part II below; and all deposits to Escrow Agent should be made payable to Olson, Smith, Jordan & Cox Escrow Account.

Part II. Terms and Conditions

For and in consideration of the Purchase Price set forth in Part I hereof and the mutual promises contained in this Agreement, you agree to buy and we agree to sell the Lot, conditioned upon there having not been a sale to a third party prior to the receipt of this Agreement by us, properly executed by you, together with the Earnest Money Deposit as provided in Part I, and execution hereof by us.

1. **The Purchase Price.** You will pay as the full purchase price for the Lot the Purchase Price of the Lot set forth in Paragraph F of Part I of this Agreement.

1.1 **Earnest Money Deposit.** The Escrow Agent will receive the Earnest Money Deposit set forth in Paragraph F(i) of Part I, and will deposit said sums in its non-interest bearing escrow account, to be held by the Escrow Agent as the Earnest Money Deposit to be disbursed in accordance with this Part II. In the event of a termination of this Agreement under this K, except in the event of your default (in which event the Earnest Money Deposit will be paid over to us as herein provided), all of the Earnest Money Deposit will be refunded to you without interest.

1.2 **Payments at Closing.** The Purchase Price, together with all of your Closing costs, prepaids, and Closing escrow deposits, less the sum of your earnest money deposit, will be paid by you in cash or by certified, collected funds at the Closing hereinafter referred to.

2. Financing

2.1 Your Responsibility. You will be responsible for obtaining desired financing for the purchase of the Lot. By suggesting a source of financing and/or providing the application for such financing, we will not be deemed to have assumed any responsibility for obtaining such financing for you or to represent or warrant that such financing will be available to you.

2.2 Financing Contingency. If you have indicated in Paragraph H of Part I that this Agreement is contingent upon you securing institutional financing in an amount not more than that percentage of the Purchase Price indicated in Paragraph H at market interest rate and terms, you agree to make all reasonable efforts to secure such financing. You must receive a loan commitment or loan pre-qualification documentation in your favor, which meets the requirements of this Agreement, and a copy must be delivered to us within thirty (30) days following the Effective Date hereof. You agree that within ten (10) days from the date of execution of this Agreement, you will, in order to obtain a loan commitment, in good faith complete and submit required application forms to a lending institution or mortgage company (hereinafter "Lender") of your choice (making available all pertinent information as may be required or requested by the Lender) and will execute all documents necessary to enable the Lender to verify the information provided by you. You hereby authorize the Lender to furnish any of the supplied information to us if the Lender refuses to make you a loan in order that we may, at our option, aid you in obtaining financing. You hereby agree to inform us of the name and address of your Lender and the date of application and to keep us timely informed of the acceptance or rejection of your financing application.

(a) **Documented Ability to Close Without Financing.** Upon our request, you will provide us a bank reference of your financial capability to close the Lot without a financing contingency. You will deliver such requested information within ten (10) business days following our written request for it. If you fail to provide such requested information, or to provide such supplemental information thereto as we will reasonably require to satisfy ourselves, as well as our development lenders, of your financial capability to Close, we will have the right at any time thereafter to declare this Agreement null and void and to direct the Escrow Agent to refund to you, without interest, the Earnest Money Deposit.

2.3 Failure to Secure Lender Commitment. If we do not receive a copy of a loan commitment or loan pre-qualification documentation in your favor which meets the requirements of this Agreement within thirty (30) days following the Effective Date of this Agreement, either of which being conclusive satisfaction of your financing contingency, then at any time until we do receive it, we will have the right to terminate this Agreement; and in such event, the Earnest Money Deposit will be promptly returned to you; provided, however, that if you are then in default hereunder, no refund will be due you and we may pursue all remedies available hereunder. If you are unable to secure a loan commitment after making reasonable efforts, as required by this Agreement, and if you are not in default hereunder, you may terminate this Agreement and receive a refund of the Earnest Money Deposit.

3. Our Contingencies.

3.1 Contingencies to Closing. If we have attached to this Agreement a "Keowee Falls South Contingency Addendum," or any other writing of like import signed or initialed by both of us, our obligations under this Agreement will be contingent upon the satisfaction of the conditions and requirements set forth in such writing.

3.2 Rights of Termination. In the event a contingency is set forth in an addendum or other writing, as referenced in Section 3.1, and it is not satisfied on or before the expiration of the term set forth therein, both of us will each have the right, at our respective option, to terminate this Agreement by delivery of written notice to the other; provided that, if you elect to exercise such right, you must deliver notice to us of your intent to terminate this Agreement, and we will thereafter have five (5) business days within which to waive a said contingency.

4. Completion of Infrastructure Improvements

4.1 Completion of Infrastructure. We agree to provide roads and water service, and public utilities will provide electrical service and telephone service at no cost to you, as outlined in our Department of Housing and Urban

Development ("HUD") Property Report made effective May 20, 2003, which is incorporated herein and made a part hereof by this reference. In all events, we agree that we will complete the water and road infrastructure to your Lot within the periods of time set forth in the Property Report, or, (a), in the case of water supply installation, on or before issuance of a certificate of occupancy for your residence; and (b), in the case of paved roads to your Lot, within sixty (60) days following your notice to us that you have received a final certificate of occupancy for your residence, whichever respective date occurs first. We will, at our sole cost and expense, provide on-site water for construction of your residence if water service is not then available at your Lot. Our obligation to complete the roads, water service, and electrical and telephone services within the time provided in the HUD Property Report is subject only to circumstances beyond our control, such as acts of God, strikes, material shortages and other occurrences which are sufficient to constitute impossibility of performance under South Carolina law. In the event of such occurrences, we will proceed to completion within a reasonable time after the abatement of the event causing delay. In case the survey by which we will convey your Lot to you required bonding pursuant to Oconee County ordinance, we have posted a cash or surety bond or an irrevocable letter of credit issued on our behalf to Oconee County, South Carolina, as applicable, guaranteeing the completion of those roads and other infrastructure requiring bonding. If the approval of the survey by which we will convey your Lot to you did not require bonding by Oconee County ordinance, we have established one or more completion escrow accounts to assure completion of the water service and roads to the lots shown on that survey. We reserve the right to furnish to you temporary easements for ingress and egress during development, and upon completion of permanent roads or rights-of-way providing ingress and egress, the temporary easements will automatically expire. The paved roads to your Lot will be maintained by and at the cost of The Cliffs at Keowee Falls South Owners' Association when completed by us. Also, we anticipate transferring ownership of the water supply systems to The Cliffs at Keowee Falls South Owners' Association. Upon completion and transfer of ownership, we will be relieved of all further responsibility for the water system since the transferee will then maintain it.

(a) **Installation of Infrastructure.** When we talk about completing the installation of roads and water service, as well as the installation of electrical and telephone services, we covenant these utilities and improvements will be brought to the boundary of your Lot, not within your Lot lines to your home. Therefore, all costs to connect such utilities or improvements to your home will be your sole obligation, and the electric utility company charges a set-up fee in conjunction with setting utility meters.

(b) **Septic System.** You will be responsible for installing and maintaining a septic tank system on the Lot when a dwelling is built on it. You will be required to make all arrangements for the permitting, governmental approval and installation of a septic tank system. In the event the Lot has not been previously tested and approved by the South Carolina Department of Health and Environmental Control for the installation of an individual sewage disposal system, and if we are then not able to resolve the issue within sixty (60) days following notice thereof, we will refund to you the Purchase Price and you will convey the Lot back to us, and thereafter, each of us will be fully released from any further liability to the other.

4.2 Completion of Other Infrastructure; Conveyance or Turnover to the Cliffs at Keowee Falls South Owners' Association. In addition to the infrastructure we are obligated to complete, as provided in Section 4.1 above, we agree to complete construction and installation of approximately 25 miles of roads, including an overpass, constructed to South Carolina Department of Transportation standards; drainage systems; water system storage tanks and water delivery booster stations, as well as pipes leading to your Lot; main electrical power feeds and natural gas supply lines to the project, which will allow those public utilities serving your Lot to extend service to your Lot; postal service delivery structures, and manned and unmanned gate houses accessing the project; approximately 10 miles of hiking and nature trails; an arboretum and gardens; and landscaping thereto and thereon. The utility facilities will be turned over to the applicable utility company upon completion of construction and issuance of operating permits therefore, if any, and the constructed roads, drainage systems, gates and gatehouses, hiking and nature trails, postal service delivery structures, arboretum, gardens and landscaping described in this Section 4.2 will be conveyed or turned over to the Keowee Falls South Owners' Association on or before the expiration of two years from completion of construction, as set forth in the Keowee Falls South Declaration; provided, however, the obligation for maintenance, repair and replacement of Keowee Falls South Association Common Areas will become the responsibility of the Keowee Falls South Association and its Members the date all required certificates or permits of occupancy or use are issued therefore, or the date such improvements may be used in the manner and for the purposes for which they are constructed, whichever is earlier.

5. **The Keowee Falls South Declaration.**

5.1 **Cliffs at Keowee Falls South Owners' Association.** The Lot will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for the Cliffs at Keowee Falls South recorded in the Office of Register of Deeds for Oconee County, as the same may be amended from time to time (herein, sometimes referred to as the "Keowee Falls South Declaration"), which includes the obligation that you pay regular and special assessments when levied for the common facilities and services of the Cliffs at The Cliffs at Keowee Falls South Owners' Association (herein, sometimes referred to as the "Keowee Falls South Association") commencing with the date we convey title to the Lot. The amount of the annual assessment will be set, and may be increased each year, by the Board of Directors of the Keowee Falls South Association, as set forth in the Keowee Falls South Declaration. We as Declarant reserve the right to modify the Keowee Falls South Declaration, as well as the Articles of Incorporation and Bylaws of the Keowee Falls South Association, in any manner provided in those documents. You hereby acknowledge having received a copy of the recorded or current draft Keowee Falls South Declaration, with appended Bylaws of the Keowee Falls South Association. You acknowledge that the Keowee Falls South Declaration and appended Bylaws may be changed prior to the Closing, and such changes or amendments shall not affect the rights and liabilities of either of us, or be a cause or reason for termination or revision of this Agreement. Furthermore, you acknowledge that the Keowee Falls South Declaration allows us to add other property to Keowee by supplemental declaration to the Keowee Falls South Declaration, but that we are under no obligation to do so and the Keowee Falls South project may not include any other properties than those in the subdivision of which yours is a part and the other properties currently subject to the Keowee Falls South Declaration.

5.2 **Architectural Review.** You hereby acknowledge that any improvement to the Lot, including landscape improvements, will be subject to the architectural guidelines established, from time to time, pursuant to the Keowee Falls South Declaration, and the prior written approval thereof by the architectural review committee established thereunder. We have no responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. You and your builder will be solely responsible for the completion of construction of all improvements on your Lot and for proper drainage during and after house construction. You will be responsible for paying a \$1,000.00 fee to the Architectural Review Committee for review and approval, prior to construction, of all construction and design plans with respect to any improvements to be placed on your Lot. You or your contractor will also be responsible for posting a minimum bond of \$5,000 prior to commencing construction.

5.3 **Private Recreational Facilities.** Private recreational facilities are planned to be developed and constructed in the future within Keowee Falls South, and they may be privately owned and operated on a commercial basis, as a private membership club, or as otherwise designated. You acknowledge that use of any private recreational facility will be subject to payment of fees and compliance with rules established by the owner of such facility, that purchase of the Lot does not guarantee or vest in you any right to membership or the right to use a private facility, and that no property owner, including you, will acquire any interest in any private facility by virtue of taking title to the Lot. You acknowledge that no representations or warranties, either verbal or written, have been or are made by the us or any other person that a private facility will be constructed or, if constructed, will become common area (as defined in the Keowee Falls South Declaration) of the Keowee Falls South Association or any other owners association, or that ownership of or use rights in a private facility will be conferred by virtue of purchasing the Lot.

6. **The Golf & Country Club.** You hereby acknowledge the plan of development for Keowee Falls South includes the construction and operation of a commercial, private golf and country club facility within the boundaries of Keowee Falls South (sometimes hereinafter, the "Club"). You further acknowledge that the Club's recreational facilities are, or when construction is completed will be, owned by us or by a related third party as a commercial business, and not as a non-profit enterprise, that you will have a license to use the facilities as herein described if you acquire a membership to do so, and that neither you nor any property owner association of which you may be a member has or will receive any ownership interest in the Club's facilities by virtue of your acquisition of the Lot or membership in any such property owner association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published membership plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If you wish to become a member, you should take the time to read the entire membership plan prior to acquiring a membership.

6.1 Memberships; Golf Privileges. There are several categories of membership offered in the Club. The ability to acquire permanent golf privileges is reserved for those who elect to acquire a Full Golf Membership. Acquisition of a Full Golf Membership is subject to availability at the time you may wish to acquire one, but it is guaranteed to be available to you if it is acquired before the expiration of thirty (30) days following your Closing. Under the Club membership plan, a buyer is guaranteed the availability of a Full Golf Membership if the buyer purchases from our previously unsold inventory and the buyer's application and membership deposit are received within thirty (30) days following the buyer's closing with us; or if the buyer purchases a re-sale property from a seller who is the holder of a Full Golf Membership and submits the completed application and required membership deposit at the re-sale closing of the Cliffs property. That means if you want the buyer of your Keowee Falls South property in a re-sale transaction to be guaranteed the ability to acquire a Full Golf Membership following your membership resignation and the Club's re-issuance of the resigned membership to your buyer at your closing pursuant to the requirements of the Club's membership plan, you will need to acquire the Full Golf Membership, and if you delay acquisition beyond the thirty (30) -day period, we cannot guarantee a Full Golf Membership's availability when you do elect to acquire one. All golf memberships are subject to availability at all times as determined by the Club. If you wish to acquire a membership, it is recommended that you contract to acquire one by separate agreement or pursuant to a Membership Inclusion Addendum.

6.2 Membership Resignation. The governing documents of the Club require that upon resale of your Lot, your membership in the Club must be resigned in order for membership to be available to your Lot buyer. When you sell your Lot, and so long as you are a Club member in good standing, you will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit you made for membership in the Club. In addition, your Lot's buyer will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club, which amount may be more or less than the deposit you make. As previously indicated, only a Full Golf Membership can be guaranteed to be available to a re-sale purchaser, but cannot be guaranteed to be available to your Lot's buyer if you do not acquire a Cliffs Full Golf Membership within 30 days following your Closing. See Section 6.1 above.

7. Closing. The sale and purchase contemplated by this Agreement will be closed by delivery to you of a properly executed and acknowledged general warranty deed, in proper, recordable form, in exchange for payment to us of the Purchase Price as hereinabove provided. Notwithstanding any provisions herein to the contrary, the legal description for your Lot will be in accordance with and based upon the approved, bonded plat for the subdivision of which the Lot is a part (the "Plat").

7.1 Deed to Lot. The general warranty deed will convey to you a good and marketable or insurable (at regular rates), fee simple title to the Lot subject to matters of record, including, but not limited to, the following:

- (a) Taxes and assessments not yet due.
- (b) All special easements, restrictions and conditions shown and noted on the Plat.
- (c) Licenses and easements for utilities serving the property.
- (d) The Keowee Falls South Declaration and the Bylaws of the Keowee Falls South Association.
- (e) Covenant that the Lot conveyed, including any dwelling thereon or to be built thereon, will not be used for or subject to any type of Time Sharing Plan under South Carolina law, or any subsequent laws of this State dealing with that or similar type of ownership, or any time share exchange program which uses the Lot and any dwelling thereon not otherwise registered as a Time Sharing Plan in its program, without our prior written consent, which we may grant or deny in whole, or may grant to some and deny to others, in our sole discretion.
- (f) Oconee County, South Carolina ordinances, and applicable building codes and development standards, if any;
- (g) Any and all other easements, rights-of-way, restrictive or utility easements, restrictions, covenants, affirmative obligations and conditions of record in the office of Register of Deeds.

If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an owner's title insurance policy at your expense, insuring the title to the Lot at regular rates in an amount equal to the Purchase Price (which owner's title insurance policy will have as exceptions only standard exceptions and those exceptions as are herein agreed and set forth), we will be deemed to be able to convey a marketable title in fee simple. If, at the Closing, we cannot deliver a general warranty deed to the Lot subject to the exceptions above, we will have the right to extend the Closing for an additional thirty (30) days to comply with the terms of the title policy.

7.2 Closing Date and Time. Closing will be conducted in the manner provided hereinafter on the date set forth in Paragraph C of Part I, at the location set forth in Section 7.3 and at a time selected by us. Provided that we have fulfilled all of our obligations to you pursuant to this Agreement, your failure or refusal to close at the time, place and date provided may, at our option, be deemed a default by you.

7.3 Closing, Location and Attorney. Closing of this transaction will take place at the offices of the closing attorney identified in Paragraph E of Part I above, or such other place as may be designated by us within thirty (30) days following the Effective Date hereof. Tender of the deed by us and the performance of your requirements will be made at said place. In no event will delivery of the deed exceed one hundred eighty (180) days from the date of your execution of this Agreement, upon compliance with the terms of this Agreement. The Closing may take place in escrow. You will not be required to attend the Closing, but may, instead, participate by making all deliveries required to be made by you by mail to the Closing attorney prior to the Closing date, provided that all funds to be received from you on the Closing date, whether in person or by mail, must be in cash or certified, collected funds.

7.4 Closing Costs. We will pay for the preparation of the deed and the deed transfer fee required to record the deed, and our own attorney's fees. You shall pay for any and all other Closing costs, including but not limited to, loan service and origination fees, credit report and underwriting fees, appraisal expenses, recording fees, prepaid items, and title insurance premiums, and your own attorney's fees. Assessments and a two-months, working capital contributions shall also be due and payable by you under the Keowee Falls South Declaration, the amounts of which being set forth in Paragraph I of Part I hereof.

(a) **Prorations at Closing.** Taxes and assessments will be prorated between the two of us as of the date of closing, based upon information then available. We both agree to adjust any such prorations following the Closing, as may be required by receipt of final bills therefor.

8. Defaults.

8.1 Default by You. In the event you default in the performance of any of your obligations pursuant to this Agreement, we will have the right to specifically enforce this Agreement according to its terms and/or to pursue any and all other remedies available to us at law or in equity, or we will, at our election, be released from any further obligations to you pursuant to this Agreement and in such event will be entitled to retain the Earnest Money Deposit (but not exceeding 10% of the Purchase Price) as agreed liquidated damages, it being the intention and agreement of the two of us that the amount of such Earnest Money Deposit will act as a fair measure of compensation for actual damages incurred by us as a result of your default. However, notwithstanding the provisions of this Section 8.1, we expressly agree that we will give you written notification of your default or breach of contract and the opportunity to correct the default or breach within twenty (20) days following the receipt of our notice.

8.2 Default by Us. If we default in the performance of any of our obligations as set forth in this Agreement and such default is not cured within twenty (20) days after written notice of default is given to us by you, your sole remedy will be to rescind this Agreement and receive the immediate return of your Earnest Money Deposit, pay you your reasonable attorney's fees for any title examination by your attorney and for such other reasonable closing expenses which we agree, in our sole discretion, to pay; provided, however, that in the event of a nonmaterial breach of any term or condition of this Agreement, your remedies will not include termination of this Agreement.

9. Real Estate Commission. It is understood that we have by separate agreement appointed Cliffs Real Estate, Inc. as the exclusive real estate agent for sales of Lots within Keowee Falls South. You warrant and represent that, except as

set forth in Paragraph D on Page 2 hereof to the contrary, you have not dealt with any other real estate agent who may be entitled to claim a real estate commission in this transaction.

10. Miscellaneous.

10.1 Our Reserved Easements; Construction Setbacks. You acknowledge that we reserve the right to grant and/or reserve, in our reasonable discretion, various easements for ingress and egress, maintenance and use on and over the Lot and the remainder of the Keowee Falls South development. No such easement will materially reduce the value or the usefulness of your Lot. Furthermore, your Lot is subject to front, rear and side lot line easements shown on the Plat and/or set forth in the Keowee Falls South Declaration, which also constitute construction setback limits.

10.2 Our Adjacent Development. Except as otherwise provided herein and notwithstanding any statements contained in this Agreement or otherwise to the contrary, we do not warrant in any manner whatsoever the development of any other properties which are owned by us in Pickens County or Oconee County, South Carolina, whether or not in the general vicinity of your Lot, and we reserve the right to develop such properties, if developed, in any manner whatsoever without interference from you or any subsequent grantee of your Lot, notwithstanding any plans, renderings and drawings which may have been brought to your attention through public zoning hearings, documents filed for zoning purposes, public or private showings or proposed or preliminary development plans or references therein in any recorded covenants. There is no assurance that any facilities or amenities shown for planning or proposed development purposes will ever be constructed, except only those which we herein covenant to complete.

10.3 Periodic Charges and Costs. By owning the Lot, you acknowledge that you will be liable for the periodic assessment and service charges levied by public authorities and utilities, the monthly and/or annual assessments of the Keowee Falls South Association, and any special assessments assessed by it. Failure to pay such assessments and charges when due may result in the imposition of liens against your Lot. You hereby acknowledge that public and private utilities serve your Lot, and that by owning your Lot, you will be liable to the applicable service provider for the payment of tap fees and user fees for the utility's service, in amounts applicable at the time of payment, which are subject to change.

10.4 Inspection of Premises. You hereby acknowledge that you have inspected the Lot prior to signing this Agreement, and hereby agree that, except as otherwise provided herein, you are purchasing and we are selling the Lot in an "AS IS" condition.

10.5 Notices. Any and all notices or other communication provided for in this Agreement will be given in writing and delivered by personal delivery or by registered or certified mail, first class postage prepaid, or by facsimile transmission. Any notice mailed in accordance with this Section 10.5 will be deemed received upon actual receipt thereof or after the expiration of five (5) days, whichever is earlier. Notice sent by facsimile transmission will be deemed received on the date of its transmission, provided transmission occurs prior to 5:00 p.m., Eastern Time, and the sender retains proof of its transmittal and receipt without error. Notice will be addressed as follows:

If to us:

Keowee Falls Investment Group, LLC
1849 Cleo Chapman Highway
Sunset, SC 29685
Attention: Darrell Whitaker
FAX: 864-836-8176

If to the Escrow Agent:

Olson, Smith, Jordan & Cox
PO Box 1633
Clemson, South Carolina 29633
Attention: Chris Olson, Esq.
FAX: 864-654-3696

Notices, if to you:

As set forth on page 1 of this Agreement

10.6 Potential Economic Benefits Disclaimed

(a) You acknowledge and agree that the Lot has not been marketed with emphasis on the future economic benefits to you from our development or managerial efforts or those of any other party arranged for or introduced to you by us. In addition, the Lot has not been marketed with required or guaranteed resale arrangements or other similar services whereby emphasis was placed on the economic benefits to be derived by you from our resale efforts or those of any party arranged for or introduced to you by us.

(b) You acknowledge and agree that we have not offered to sell the Lot and any improvement thereon in connection with rental pool arrangements or other contractual agreements such as guarantees of minimum rentals, requirements that the Lot and its improvements be held available for rental for any portion of the year, requirements that an exclusive rental agency be used, or requirements that otherwise materially restrict occupancy, use or rental of the Lot and its improvements. Furthermore, you acknowledge that we have not promised, suggested, or indicated in any way that you will receive any rental income or any other economic benefit whatsoever as a result of your ownership of the Lot and the improvements thereon.

(c) If you elect to rent or sell your Lot, it is understood and acknowledged by you that you may handle the rental or resale of your Lot or you may contract with any real estate agency of your choice.

10.7 Your Acknowledgment Concerning Representations by Sales Representative. You understand that any sales representative representing us in this transaction does not have the authority to make any statements in conflict with or in addition to the information contained in this Agreement, and any other documents received from us, including without limitation, any representation made regarding the rental potential of the property or investment potential of the property, and that we, for ourselves and in behalf of any such agent, specifically disclaim any responsibility for such statements. Further, if any such statements were made, you acknowledge that by execution of this Agreement, you affirm that you have not relied upon any such statements, if any, and waive any rights that you might have as a result of such statements unless they are incorporated in this Agreement.

10.8 Documents Received By You. By initialing this Section 10.8 below, you further acknowledge having received and reviewed prior to the execution of this Agreement the following:

(a) Copy of Declaration of Covenants, Conditions and Restrictions for the Cliffs at Keowee Falls South recorded in the Office of Register of Deeds for Oconee County, as supplemented and amended to the date hereof, together with appended By-Laws of The Cliffs at Keowee Falls South Owners' Association.

(b) Agency Disclosure (Executed).

(c) Copy of Plat.

(d) Design and Construction Guidelines.

(e) The following checked documents or instruments:

☐
☐
☐
☐

INITIAL HERE THAT YOU HAVE RECEIVED THE DOCUMENTS LISTED ABOVE


For Purchaser

10.9 **Time is of the essence.** It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, including your obligation to obtain a mortgage commitment and provide the Lender with all information requested.

10.10 **Entire Agreement.** We both covenant and agree with each other that this written instrument, executed in duplicate originals, expresses the entire agreement between us and there is no other agreement, oral or otherwise, varying or modifying the terms of this Agreement.

10.11 **Modification of Agreement.** This Agreement may not be otherwise changed or modified, absent some subsequent written instrument executed by both of us.

10.12 **Interpretation Presumption.** We both represent and warrant to one another that each of us has, by counsel or otherwise, actively participated in the finalization of this Agreement, and in the event of a dispute concerning the interpretation of this Agreement, each of us hereby waives the doctrine that an ambiguity should be interpreted against the party which has drafted the document.

10.13 **Binding Effect; Assignment.** This Agreement is binding upon our respective heirs, devisees, personal representatives, successors and assigns; provided however, this Agreement and any of your rights hereunder may not be assigned by you.

10.14 **Resale Or Exchange Of Property.** We have no program or provision for the sale or exchange of any Lots in Keowee Falls South. There is no program, which assures that you will be able to exchange the Lot for other property.

10.15 **Unenforceable Provisions.** Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions will remain in full force and effect and will not in any manner be thereby affected or impaired.

10.16 **Survival.** This Agreement and all the terms and conditions hereof will survive the Closing of the transaction contemplated hereby and will thereafter continue to bind the parties to this Agreement.

10.17 **Counterpart Execution of Agreement.** This Agreement may be signed by each of us upon a separate copy, and in such case one counterpart of this Agreement will consist of enough of such copies to reflect the signature of each of us. For purposes of this Agreement, a telecopy of an executed counterpart will constitute an original. Any person delivering an executed counterpart of this Agreement by telecopy will also deliver an original, executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart will not affect the validity of this Agreement. This Agreement may also be executed in two or more counterparts, each of which will be deemed an original; but for purposes of proving the Agreement, it will not be necessary to produce or account for more than one such counterpart.

10.18 **Effective Date.** This Agreement will become effective, and the term "Effective Date" herein will mean, the last date executed by a party to be bound hereby.

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YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY AFTER YOU HAVE RECEIVED A FULLY SIGNED COPY OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

IN WITNESS WHEREOF, Purchaser and the Seller have each caused this instrument to be executed on the day and year set forth below their respective names.

WITNESS:

Roxanne Kowalski

Purchaser:

Ellen W. McCracken
Jacquelyn J. McCracken

6 28 03
Month Day Year

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1A 170

Sandra Hyde

Seller:

KEOWEE FALLS INVESTMENT GROUP, LLC

By: Clarence

Its: VB 000

7 7 03
Month Day Year

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Cliffs at Keowee Falls South Membership Inclusion Addendum

THIS ADDENDUM is executed by and between Keowee Falls Investment Group, LLC (the "Seller" and generally referred to as "we" and "us") and the below identified "Purchaser" (generally referred to as "you") of a Lot in Keowee Falls South and is an amendment of and addition to that certain Agreement ("Agreement") between both of us.

Purchaser:

ELIS W. McCracken

JACQUELYN J. McCracken

Keowee Falls South Lot

Section:

Agreement Date:

\$

70

1A

6/28/03

Membership Deposit Included in Purchase Price:

1. **Purchase Price Inclusive of Memberships.** The Purchase Price of the Lot under the Agreement includes the membership amount for either a Full Golf Membership, or for a Social Athletic Membership. If you wish to acquire a membership, you must elect to do so below and submit the required membership deposit as below provided. See the membership check boxes below and Paragraph 2 regarding membership privileges in the Clubs' facilities.



Box #1. YOU ELECT TO RECEIVE A FULL GOLF MEMBERSHIP. THE DEPOSIT FOR A FULL GOLF MEMBERSHIP IS \$ 75,000. By checking this box and initialing below, you acknowledge that you have read Paragraph 2 below. You hereby understand that, the Full Golf Membership will not be issued and activated until we have received from you the required deposit for the membership. You must deliver your membership deposit and complete the Club's required forms not later than thirty (30) days following your closing. If the Club does not receive such funding on or before the expiration of the aforesaid period, you will forfeit the right of guaranteed availability of a Full Golf Membership and shall only be able to acquire one if, and only if, one becomes available pursuant to the Club's Membership Plan, which neither we nor the Club guarantees. Please remember, that when you go to sell your Cliffs property, your buyer is only guaranteed the ability to get a Full Golf Membership if you have one to resign back to the Club (and receive a refund of your initiation deposit) so the Club can immediately re-issue it to your buyer at your re-sale closing (subject to your buyer completing an application and paying the required membership deposit at the closing) without your buyer having to be placed on a waiting list and perhaps never having one become available.

[Signature]
For Purchaser



Box #2. YOU ELECT TO RECEIVE A SOCIAL ATHLETIC MEMBERSHIP. THE DEPOSIT FOR A SOCIAL ATHLETIC MEMBERSHIP IS \$_____. By checking this box and initialing below, you acknowledge that you have read Paragraph 2 below. You understand that the Social Athletic Membership will not be issued and activated until we have received from you the required deposit for the membership. You further understand that a Social Athletic Membership is subject to availability and that there is no guarantee that a Social Athletic Membership would be available if you delay membership acquisition and later wish to acquire a membership. You must deliver your membership deposit and complete the Club's required forms not later than thirty (30) days following your closing. If the Club does not receive such funding on or before the expiration of the aforesaid period, a Social Athletic Membership will be available to you if, and only if, one is available pursuant to the Club's Membership Plan, which neither we nor the Club guarantees.

For Purchaser

2. **The Golf & Country Club.** You hereby acknowledge the plan of development for Cliffs at Keowee Falls South includes the construction and operation of a commercial, private golf and country club facility within the boundaries of Cliffs at Keowee Falls South (sometimes hereinafter, the "Club"). You further acknowledge that the Club's recreational facilities are, or when construction is completed will be, owned by us or by a related third party as a commercial business, and not as a non-profit enterprise, that you will have a license to use the facilities as herein described if you acquire a membership to do so, and that neither you nor any property owner association of which you may be a member has or will receive any ownership interest in the Club's facilities by virtue of your acquisition of the Lot or membership in any such property owner association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published membership plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If you wish to become a member, you should take the time to read the entire membership plan prior to acquiring a membership.

(a) **Golf Membership.** The ability to acquire permanent golf privileges is reserved to those who elect to acquire a Full Golf Membership. Acquisition of a Full Golf Membership is subject to availability at the time you may wish to acquire one, but is guaranteed to be available to you if it is acquired before the expiration of thirty (30) days following your closing. Under the Club membership plan, a buyer is guaranteed the availability of the Full Golf Membership if the buyer purchases from our previously unsold inventory and the buyer's application and membership deposit are received within thirty (30) days following the buyer's closing with; or if the buyer purchases re-sale property from a seller who is the holder of a Full Golf Membership and submits the completed application and required membership deposit at the re-sale closing of the Cliffs property. If you want the buyer of your Cliffs property in a re-sale transaction to be guaranteed the ability to acquire a Full Golf Membership, following your membership resignation and the Club's re-issuance of the resigned membership to your buyer at your closing pursuant to the requirements of the Club's membership plan and subject to your buyer completing an application and paying the required membership deposit at the closing, you will need to acquire the Full Golf Membership. A golf membership is subject to availability at all times as determined by the Club. If you have elected to receive a Full Golf Membership by checking Box #1 on page 1, then upon you making application and funding the required deposit within the period required, you will be issued a Full Golf Membership in the Club. Your monthly membership dues will commence to coincide with completion of the various Club facilities and their being made available for use by members, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(b) **Social Athletic Membership.** If you have elected to receive a Social Athletic Membership by checking Box #2 on page 2 of this Addendum, then upon you making application and funding the required deposit, you will be issued a Social Athletic Membership in the Club. Your monthly membership dues will commence with the issuance of the membership to you, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(c) **Club's Membership Plan.** The governing documents of the Club require that upon resale of your Lot, your membership in the Club must be resigned. When you sell your Lot, and so long as you are a Club member in good standing, you will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit you made for memberships in the Club. In addition, if the buyer of your Lot and improvements wishes a membership, he or she will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club. The membership deposit that your buyer makes for the issuance of a membership may be more or less than the deposit you made. As previously indicated, a Full Golf Membership is not guaranteed to be available to your buyer if you do not acquire a Full Golf Membership within thirty (30) days following your Closing. See subparagraph (a) above.

3. **Effective Date.** This Addendum shall become effective the last date executed by a party to be bound hereby, and is subject to all other terms and conditions of the Agreement.

Purchaser:

Eric W. McCracken
Joseph J. McCreary
6 28 03
Month Day Year

Seller:

KEOWEE FALLS INVESTMENT GROUP, LLC

By: Deane Smith

Its: VP - Eco

7 7 03
Month Day Year

1A/70



KEOWEE FALLS MEMBERSHIP OUTLINE

June 2003

Membership Classifications and Initiation Deposits...

Keowee Falls Full Golf **\$75,000.00**

Keowee Falls Social Athletic **\$15,000.00**

Membership Deposit Payment Options...

Keowee Falls Full Golf - \$75,000 payment in full at closing

(or)

Keowee Falls Full Golf - \$25,000.00 at closing; \$25,000.00 due within thirty days of commencement of golf course construction; remaining balance of \$25,000 due within sixty days prior to course completion. (0% interest).

Keowee Falls Social Athletic – \$15,000.00 due at closing.

Membership Prepaid Dues Program...

Keowee Falls Full Golf Members– Receive a \$15,000.00 prepaid dues credit toward future club dues.

Keowee Falls Social Athletic Members – Receive a \$5,000.00 prepaid dues credit toward future club dues.

Immediate Membership Privilege Granted...

All Keowee Falls Members are provided with immediate membership privilege and access through the granting of a Cliffs Honorary Social Athletic Membership. This membership privilege requires no additional fees or dues. Honorary Social Athletic Members have dining and recreational usage of all existing club facilities, which include swimming pools, tennis courts, fitness centers, hiking and nature trails, and marina. A membership charge account will be established for charging privileges at all locations. Golf privilege is provided through our reciprocal golf program.

Interim Membership Status...

Keowee Falls Full Golf Members may elect an Interim Golf Privilege that provides for a temporary membership status at one of our existing clubs. Interim membership provides for more unlimited golf usage, until which time the Keowee Falls course opens for play. Interim Membership Privilege does require the payment of monthly dues and prepaid dues credit can be activated.

UNITED STATES BANKRUPTCY COURT		District of South Carolina	PROOF OF CLAIM
Name of Debtor: The Cliffs at Keowee Falls Golf & Country Club, LLC		Case Number: 12-01229	
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Ellis W. McCracken, Jr. and Jacquelyn J. McCracken		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.	
Name and address where notices should be sent: George L. Clauer III, Clauer Law Firm, LLC, P. O. Box 477, Salem, SC 29676		Court Claim Number: _____ (If known)	
Telephone number: (864) 719-4296		Filed on: _____	
Name and address where payment should be sent (if different from above): Ellis W. McCracken, Jr. and Jacquelyn J. McCracken, 106 Peaceful Night Trail Travelers Rest SC 29690		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Telephone number: (864) 836-3593		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
1. Amount of Claim as of Date Case Filed: \$ <u>125,000.00</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
2. Basis for Claim: <u>Membership Fees</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: <u>T. Landing 10</u> (See instruction #3a on reverse side.)		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Date: <div style="border: 1px solid black; padding: 2px; display: inline-block;">05/23/2012</div>		FOR COURT USE ONLY	
Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Ellis W. McCracken, Jr. and Jacquelyn J. McCracken, By George L. Clauer III, Attorney and Attorney in Fact		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien

documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

THE CLIFFS COMMUNITIES

REAL ESTATE SALE AND PURCHASE AGREEMENT

THIS REAL ESTATE SALE AND PURCHASE AGREEMENT (the "Agreement") made by and between the below-named seller (the "Seller") identified on the Seller's signature page below (the "Seller"), whose mailing address is as set forth on page 6, and the below-named purchaser (the "Purchaser") identified on the Purchaser's signature page below.

Part I. Identifications

A. **The Lot and What is Included in Price.** The property to be purchased (the "Lot") is located in Section Towne Landing, Lot 10, Cliffs at Keowee Falls South

The Lot is listed for sale for \$ 625,000.00

The purchase of the Lot does not include a membership in the Golf and Country Club (the "Club"), which is reserved solely to its members in accordance with the use rights conferred by the Club Membership Plan for the categories and classifications of membership offered. Seller does not operate the Club. The Club is operated by The Cliffs Golf & Country Club, Inc. Seller will, however, discount the list price of the Lot by the below "Discount" if Purchaser agrees to acquire a membership, and Purchaser will pay that amount at Closing toward a membership.

Check one of the following:

E. M. M. S. G.
(Initial)



If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership or a Cliffs Golf Membership, and wishes to receive the property discount to the right (the "Discount"), and apply it toward the required membership deposit, and has attached hereto a signed Club Membership Addendum. While Purchaser is guaranteed the availability of a Club membership under the Membership Plan only if Purchaser acquires one within 30 days following Purchaser's Closing, Purchaser will receive the Discount only if the membership is acquired at the Closing. If this paragraph is checked and initialed, the Purchase Price in Paragraph B below is net of the Discount.

Discount:

\$ 25,000.00



If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed price of the Lot because Purchaser elects not to receive a membership.

(Initial)

B. **Payment of Purchase Price.** The "Purchase Price" is calculated and payable as follows:

Total Discounted Purchase Price: \$ 600,000.00

E. M. M. S. G.
(Initial)



Discount Applied to Membership Deposit. If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Full Family Membership privileges, paying at the Closing:

\$ 50,000.00

E. M. M. S. G.
(Initial)



Golf Membership, Initiation Deposit Add-on. If checked and initialed, Purchaser has checked the first box in A above and wishes to upgrade to a Golf Membership by paying at the Closing an additional sum of:

\$ 75,000.00

(iii) **SUB-TOTAL**, Purchase Price of Lot plus Membership Deposit Due at Closing

\$ 725,000.00

(iv) **Initial Earnest Money Deposit.** An Earnest Money Deposit paid to Escrow Agent herewith

\$ 10,000.00

(v) **Additional Deposit Due.** An additional Earnest Money Deposit due Escrow Agent within 0 days of the Effective Date hereof.

\$ 0.00

(vi) **Balance at Closing.** The balance required at Closing in cash or certified funds (not including all of Purchaser's closing costs, prepaids, and escrow deposits)

\$ 715,000.00

- C. **Escrow Agent.** The "Escrow Agent" is Olson, Smith, Jordan & Cox, Attorneys at Law, whose address is set forth in Section 9.4 of Part II below; and all deposits to Escrow Agent should be made payable to **Olson, Smith, Jordan & Cox Escrow Account**.

Part II.
Terms and Conditions

For and in consideration of the Purchase Price set forth in Part I hereof and the mutual promises contained in this Agreement, Purchaser agrees to buy and Seller agrees to sell the Lot, conditioned upon there having not been a sale to a third party prior to the receipt of this Agreement by Seller, properly executed by Purchaser, together with the Earnest Money Deposit as provided in Part I, and execution hereof by Seller.

1. **The Purchase Price.** Purchaser will pay the Purchase Price of the Lot set forth in Paragraph B of Part I of this Agreement.

1.1 **Earnest Money Deposit.** The Escrow Agent will receive the Earnest Money Deposit set forth in Paragraph B of Part I, and will deposit said sums in its non-interest bearing escrow account, to be held by the Escrow Agent as the Earnest Money Deposit to be disbursed in accordance with this Part II. In the event of a termination of this Agreement under this Part II, except in the event of Purchaser's default (in which event the Earnest Money Deposit will be paid over to Seller as herein provided), all of the Earnest Money Deposit will be refunded to Purchaser without interest.

1.2 **Payments at Closing.** The Purchase Price, together with all of Purchaser's Closing costs, prepaids, and Closing escrow deposits, less the sum of Purchaser's Earnest Money Deposit, will be paid by Purchaser in cash or by certified, collected funds at the Closing hereinafter referred to.

2. **Financing**

2.1 **No Financing Contingency.** Purchaser acknowledges that this Agreement is not contingent upon Purchaser obtaining financing for the purchase of the Property. Seller makes no representations as to the availability or terms of financing, and the duties of Purchaser and Seller hereunder are not contingent upon Purchaser obtaining financing, or obtaining financing with any specific terms or conditions.

2.2 **Purchaser's Responsibility.** Purchaser is responsible for obtaining desired financing for the purchase of the Lot. By suggesting a source of financing and/or providing the application for such financing, Seller will not be deemed to have assumed any responsibility for obtaining such financing for Purchaser or to represent or warrant that such financing will be available to Purchaser. Purchaser represents that Purchaser has the financial means to purchase the Lot. Purchaser shall fully cooperate with Seller in procuring any evidence Seller reasonably requests that Purchaser has the financial means to pay the balance of the Purchase Price. Purchaser hereby gives Seller or Seller's designated agent permission to obtain one or more credit reports on Purchaser prior to the Closing Date. If Purchaser elects to obtain financing for the purchase of the Lot, Purchaser shall promptly apply for such financing and promptly deliver a loan commitment from an institutional lender to Seller. If Purchaser is not financing the purchase of the Lot, Purchaser shall promptly deliver account verifications to Seller upon Seller's request. If Seller determines, at any time prior to the Closing Date, in Seller's sole but reasonable discretion, that it is unlikely that Purchaser will be able to pay the balance of the Purchase Price on the Closing Date, Seller may terminate this transaction, and the Earnest Money Deposit shall be returned to Purchaser.

3. **Completion of Infrastructure Improvements**

3.1 **Completion of Infrastructure.** Seller agrees to provide roads and water service, and public utilities will provide electrical service and telephone service at no cost to Purchaser, as outlined in our Department of Housing and Urban Development ("HUD") Property Report made effective March 29, 2007, which is incorporated herein and made a part hereof by this reference. In all events, Seller agrees that Seller will complete the water and road infrastructure to Purchaser's Lot within the periods of time set forth in the Property Report, or, (a), in the case of water supply installation, on or before issuance of a certificate of occupancy for Purchaser's residence; and (b), in the case of paved roads to Purchaser's Lot, within sixty (60) days following Purchaser's notice to Seller that Purchaser has received a final certificate of occupancy for Purchaser's residence, whichever respective date occurs first. Seller will, at Seller's sole cost

and expense, provide on-site water for construction of Purchaser's residence if water service is not then available at Purchaser's Lot. Seller's obligation to complete the roads, water service, and electrical and telephone services within the time provided in the HUD Property Report is subject only to circumstances beyond Seller's control, such as acts of God, strikes, material shortages and other occurrences which are sufficient to constitute impossibility of performance under South Carolina law. In the event of such occurrences, Seller will proceed to completion within a reasonable time after the abatement of the event causing delay. In case the survey by which Seller will convey the Lot to Purchaser required bonding pursuant to Oconee County ordinance, Seller has posted a cash or surety bond or an irrevocable letter of credit issued on Seller's behalf to Oconee County, South Carolina, guaranteeing the completion of those roads and other infrastructure requiring bonding. If the approval of the survey by which Seller will convey the Lot to Purchaser did not require bonding by Oconee County ordinance, Seller has established one or more completion escrow accounts to assure completion of the water service and roads to the lots shown on that survey. Seller reserves the right to furnish Purchaser temporary easements for ingress and egress during development, and upon completion of permanent roads or rights-of-way providing ingress and egress, the temporary easements will automatically expire.

(a) **Installation of Infrastructure to Boundary of Lot.** With respect to completion of installation of roads and water service, as well as the installation of electrical and telephone services, Seller covenants these utilities and improvements will be brought to the boundary of Purchaser's Lot, not within the Lot lines to Purchaser's home. Therefore, all costs to connect such utilities or improvements to Purchaser's home will be Purchaser's sole obligation, and the electric utility company charges a set-up fee in conjunction with setting utility meters.

(b) **Septic System.** Purchaser will be responsible for installing and maintaining a septic tank system on the Lot when a dwelling is built on it. Purchaser will be required to make all arrangements for the permitting, governmental approval and installation of a septic tank system. In the event the Lot has not been previously tested and approved by the South Carolina Department of Health and Environmental Control for the installation of an individual sewage disposal system, and if Seller is then not able to resolve the issue within sixty (60) days following notice thereof, Seller will refund to Purchaser the Purchase Price and Purchaser will convey the Lot back to Seller, and thereafter, each of Seller and Purchaser will be fully released from any further liability to the other.

(c) **Purchaser's Periodic Utility Charges and Costs.** Purchaser acknowledges that by owning the Lot Purchaser will be liable for the periodic assessment and service charges levied by public authorities and utilities. Purchaser specifically acknowledges that water service is provided by public utility, and that by owning the Lot, the Purchaser is liable to the service provider for the payment of tap fees and user fees for water service, in amounts applicable at the time of payment, which are subject to change.

3.2 Completion of Other Infrastructure; Conveyance or Turnover to a Property Owners' Association. In addition to the infrastructure we are obligated to complete, as provided in Section 3.1 above, Seller agrees to complete construction and installation of approximately 25 miles of roads, including an overpass, constructed to governmentally-approved standards; drainage systems; water system storage tanks and water delivery booster stations, as well as pipes leading to Purchaser's Lot; and main electrical power feeds to the project, which will allow those public utilities serving Purchaser's Lot to extend service to the Lot; and manned and unmanned gate houses accessing the project; and approximately 10 miles of hiking and nature trails. The utility facilities will be turned over to the applicable utility company upon completion of construction and issuance of operating permits therefore, if any, and the constructed roads, drainage systems, gates and gatehouses, and hiking and nature trails described in this Section 3.1(c) will be conveyed or turned over to the Keowee Falls South Owners' Association on or before the expiration of two years from completion of construction, as set forth in the Declaration of Covenants, Conditions and Restrictions for the Cliffs at Keowee Falls South; provided, however, the obligation for maintenance, repair and replacement of the Common Areas will become the responsibility of the Keowee Falls South Owners' Association and its Members the date all required certificates or permits of occupancy or use are issued therefore, or the date such improvements may be used in the manner and for the purposes for which they are constructed, whichever is earlier

4. Recorded Covenants.

4.1 The Declaration of Covenants & Property Owners' Association. The Lot will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for the Cliffs at Keowee Falls South recorded in the Office of Register of Deeds for Oconee County, as the same may be amended from time to time (herein, sometimes referred to as the "Declaration"), which includes the obligation that Purchaser pay regular and special assessments when levied for the

common facilities and services of the Keowee Falls South Owners' Association (herein, sometimes referred to as the "Association") commencing with the date Seller conveys title to the Lot. Purchaser hereby acknowledges having received a copy of the Declaration, with appended Bylaws of the Association.

4.2 Architectural Review. Purchaser hereby acknowledges that any improvement to the Lot, including landscape improvements, will be subject to the architectural guidelines established, from time to time, pursuant to the Declaration, and the prior written approval thereof by the architectural review committee established thereunder. Purchaser and Purchaser's builder will be solely responsible for the completion of construction of all improvements on the Lot and for proper drainage during and after house construction, as well as the published fee payable to architectural review committee for review and approval, prior to construction, of all construction and design plans with respect to any improvements to be placed on Purchaser's Lot. Purchaser will be responsible for paying a fee to the Architectural Review Committee for review and approval, prior to construction, of all construction and design plans with respect to any improvements to be placed on the Lot. Either Purchaser or Purchaser's contractor will also be responsible for posting a bond prior to commencing construction.

4.3 Size of Residence. Purchaser also acknowledges that the Declaration requires minimum square footages for residences constructed within Keowee Falls South based upon the area in which Purchaser's Lot is located. See Declaration and applicable amendments, if any, with respect to the application of such minimums.

5. The Golf & Country Club. Purchaser acknowledges the plan of development for the various Cliffs communities includes the Club's operation of various commercial, private golf and country club facilities. Purchaser further acknowledges that the Club's recreational facilities are operated by The Cliffs Golf & Country Club, Inc., a related third party of Seller, as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that neither Purchaser nor any property owner association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of Purchaser's acquisition of the Lot or membership in any such property owner association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership. Purchaser acknowledges receiving a summary of The Cliffs Club membership opportunities. Such information is summary only, and Purchaser should refer to the Membership Plan for the actual terms and condition applicable to membership in the Club.

6. Closing. The sale and purchase contemplated by this Agreement will be closed by delivery to Purchaser of a properly executed and acknowledged general warranty deed, in proper, recordable form, in exchange for payment to Seller of the Purchase Price as hereinabove provided. Notwithstanding any provisions herein to the contrary, the legal description for Purchaser's Lot will be in accordance with and based upon the approved, bonded plat for the subdivision of which the Lot is a part (the "Plat").

6.1 Deed to Lot. The general warranty deed will convey to Purchaser a good and marketable or insurable (at regular rates), fee simple title to the Lot subject to matters of record, including, but not limited to, taxes and assessments not yet due, all special easements, restrictions and conditions shown and noted on the Plat, licenses and easements for utilities serving the property, the Declaration and the Bylaws of the Association, applicable ordinances and all other easements, rights-of-way, restrictive or utility easements, restrictions, covenants, affirmative obligations and conditions of record in the office of Register of Deeds.

If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an owner's title insurance policy at Purchaser's expense, insuring the title to the Lot at regular rates in an amount equal to the Purchase Price (which owner's title insurance policy will have as exceptions only standard exceptions and those exceptions as are herein agreed and set forth), Seller will be deemed to be able to convey a marketable title in fee simple. If, at the Closing, Seller cannot deliver a general warranty deed to the Lot subject to the exceptions above, Seller will have the right to extend the Closing for an additional thirty (30) days to comply with the terms of the title policy.

6.2 Closing Date and Time. Closing will be conducted in the manner provided hereinafter, on the "Closing Date" set forth on Purchaser's signature page below, at the location set forth in Section 6.3 and at a time selected by Seller.

Provided that Seller has fulfilled all of its obligations to Purchaser pursuant to this Agreement, Purchaser's failure or refusal to close at the time, place and date provided may, at Seller's option, be deemed a default by Purchaser.

6.3 Closing Location. Tender of the deed by Seller and the performance of Seller's requirements will be made at the Closing location designated by Seller on or before 10 days prior to the scheduled Closing. In no event will delivery of the deed exceed one hundred eighty (180) days from the date of Purchaser's execution of this Agreement. The Closing may take place in escrow, with Purchaser participating by making all deliveries required to be made by mail to the Closing attorney prior to the Closing date, instead of in person; provided that all funds to be received from Purchaser on the Closing date, whether in person or by mail, must be in cash or certified, collected funds.

6.4 Closing Costs. Seller will pay for the preparation of the deed and the deed transfer fee required to record the deed, and Seller's attorney's fees. Purchaser shall pay for any and all other Closing costs, including but not limited to, loan service and origination fees, credit report and underwriting fees, appraisal expenses, recording fees, prepaid items, and title insurance premiums, and Purchaser's attorney's fees. A working capital contribution equal to two-months' Association assessments shall be paid to the Association, as provided in the Declaration.

(a) **Prorations at Closing.** Taxes and the Association's assessments will be prorated between Seller and Purchaser as of the date of closing, based upon information then available. Seller and Purchaser agree to adjust any such prorations following the Closing, as may be required by receipt of final bills therefor.

7. Defaults.

7.1 Default by Purchaser. In the event Purchaser defaults in the performance of any of Purchaser's obligations pursuant to this Agreement and Seller is not in default, Seller will have the right to specifically enforce this Agreement according to its terms and/or to pursue any and all other remedies available to Seller at law or in equity, or Seller will, at Seller's election, be released from any further obligations to Purchaser pursuant to this Agreement and in such event will be entitled to retain the Earnest Money Deposit (but not exceeding 10% of the Purchase Price) as agreed liquidated damages, it being the intention and agreement of Seller and Purchaser that the amount of such Earnest Money Deposit will act as a fair measure of compensation for actual damages incurred by Seller as a result of Purchaser's default. However, notwithstanding the provisions of this Section 7.1, Seller expressly agrees that Seller will give Purchaser written notification of Purchaser's default or breach of contract and the opportunity to correct the default or breach within twenty (20) days following the receipt of Seller's notice.

7.2 Default by Seller. If Seller defaults in the performance of any of Seller's obligations as set forth in this Agreement and such default is not cured within twenty (20) days after written notice of default is given to Purchaser by Seller, Purchaser's sole remedy will be to rescind this Agreement and receive the immediate return of Purchaser's Earnest Money Deposit, pay Purchaser's reasonable attorney's fees for any title examination by Purchaser's attorney and for such other reasonable closing expenses which Seller agrees, in its sole discretion, to pay; provided, however, that in the event of a non-material breach of any term or condition of this Agreement, Purchaser's remedies will not include termination of this Agreement.

8. Real Estate Commission. It is understood that Seller has by separate agreement appointed Cliffs Real Estate, Inc. as the exclusive real estate agent for sales of Lots within Cliffs at Keowee Falls South. Purchaser warrants and represents that, except as set forth to the contrary on the signature page of Purchaser, Purchaser has not dealt with any other real estate agent who may be entitled to claim a real estate commission in this transaction.

9. Miscellaneous.

9.1 Seller's Reserved Easements; Construction Setbacks. Purchaser acknowledges that Seller reserves the right to grant and/or reserve, in its reasonable discretion, various easements for ingress and egress, maintenance and use on and over the Lot and the remainder of the Cliffs at Keowee Falls South development. No such easement will materially reduce the value or the usefulness of Purchaser's Lot. Furthermore, Purchaser's Lot is subject to front, rear and side lot line easements shown on the Plat and/or set forth in the Declaration, which also constitute construction setback limits.

9.2 Seller's Adjacent Development. Except as otherwise provided herein and notwithstanding any statements contained in this Agreement or otherwise to the contrary, Seller does not warrant in any manner whatsoever the

development of any other properties which are owned by Seller in Pickens County or Oconee County, South Carolina, whether or not in the general vicinity of Purchaser's Lot, and Seller reserves the right to develop such properties, if developed, in any manner whatsoever without interference from any subsequent grantee of the Purchaser's Lot, notwithstanding any plans, renderings or drawings which may have been brought to the Purchaser's attention through public zoning hearings, documents filed for zoning purposes, public or private showings or proposed or preliminary development plans or references therein in any recorded covenants. There is no assurance that any facilities or amenities shown for planning or proposed development purposes will ever be constructed, except only those which Seller herein covenants to complete or which are disclosed to be completed in the HUD Property Report for the Lot.

9.3 As-is Condition. Except as otherwise provided herein, Purchaser is purchasing and Seller is selling the Lot in an "AS IS" condition.

9.4 Notices. Any and all notices or other communication provided for in this Agreement will be given in writing and delivered by personal delivery or by registered or certified mail, first class postage prepaid, or by facsimile transmission. Any notice mailed in accordance with this Section 9.4 will be deemed received upon actual receipt thereof or after the expiration of five (5) days, whichever is earlier. Notice sent by facsimile transmission will be deemed received on the date of its transmission, provided transmission occurs prior to 5:00 p.m., Eastern Time, and the sender retains proof of its transmittal and receipt without error. Notice will be addressed as follows:

If to Seller: Keowee Falls Investment Group, LLC
3598 Highway 11
Travelers Rest, SC 29690
Attention: Marty Ritsch
FAX: 864-371-1542

If to the Escrow Agent: Olson, Smith, Jordan & Cox
PO Box 1633
Clemson, South Carolina 29633
Attention: Chris Olson, Esq.
FAX: 864-654-3696

Notices, if to Purchaser: As set forth on Purchaser's signature page of this Agreement

The notice requirements of this Section 9.4 do not apply to the Purchaser's right to cancel this Agreement as provided on page 8 below and in accordance with the Interstate Land Sales Full Disclosure Act.

9.5 Purchaser's Acknowledgment Concerning Representations. Purchaser understands that any sales associate or other person representing Seller in this transaction does not have the authority to make any statements in conflict with or in addition to the information contained in this Agreement, and any other documents received from Seller, including without limitation, any representation made regarding the resale of Purchaser's Lot or its rental or investment potential, and that Seller, for itself and in behalf of any such agent, specifically disclaims any responsibility for such statements. Further, if any such statements were made, Purchaser acknowledges that by execution of this Agreement, Purchaser affirms that Purchaser has not relied upon any such statements, if any, and waives any rights that Purchaser might have as a result of such statements unless they are incorporated in this Agreement.

9.6 Documents Received By Purchaser. Purchaser further acknowledges having received and reviewed prior to the execution of this Agreement the following:

- (a) Copy of the Declaration, as supplemented and amended to the date hereof, together with appended By-Laws of the Association.
- (b) Copy of Plat.
- (c) Design and Construction Guidelines.

(d) The checked documents or instruments listed on the Purchaser's signature page below.

9.7 **Time is of the essence.** It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, including the Purchaser obligation to obtain a mortgage commitment and provide the Lender with all information requested if Purchaser is acquiring financing, even though such financing is not a contingency hereof.

9.8 **Entire Agreement.** Seller and Purchaser covenant and agree with each other that this written instrument, executed in duplicate originals, expresses the entire agreement between them and there is no other agreement, oral or otherwise, varying or modifying the terms of this Agreement.

9.9 **Modification of Agreement.** This Agreement may not be otherwise changed or modified, absent some subsequent written instrument executed by both Seller and Purchaser.

9.10 **Interpretation Presumption.** Seller and Purchaser represent and warrant to one another that each has, by counsel or otherwise, actively participated in the finalization of this Agreement, and in the event of a dispute concerning the interpretation of this Agreement, each hereby waives the doctrine that an ambiguity should be interpreted against the party which has drafted the document.

9.11 **Binding Effect; Assignment.** This Agreement is binding upon the parties' respective heirs, devisees, personal representatives, successors and assigns; provided however, this Agreement and any of Purchaser's rights hereunder may not be assigned by Purchaser.

9.12 **Resale Or Exchange Of Property.** Seller has no program or provision for the sale or exchange of any Lots in the Cliffs at Keowee Falls South. There is no program, which assures that Purchaser will be able to exchange the Lot for other property.

9.13 **Unenforceable Provisions.** Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions will remain in full force and effect and will not in any manner be thereby affected or impaired.

9.14 **Survival.** This Agreement and all the terms and conditions hereof will survive the Closing of the transaction contemplated hereby and will thereafter continue to bind the parties to this Agreement.

9.15 **Counterpart Execution of Agreement.** This Agreement may be signed by each of the parties upon a separate copy, and in such case one counterpart of this Agreement will consist of enough of such copies to reflect the signature of each. For purposes of this Agreement, a telecopy of an executed counterpart will constitute an original. Any person delivering an executed counterpart of this Agreement by telecopy will also deliver an original, executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart will not affect the validity of this Agreement. This Agreement may also be executed in two or more counterparts, each of which will be deemed an original; but for purposes of proving the Agreement, it will not be necessary to produce or account for more than one such counterpart.

9.16 **Effective Date.** This Agreement will become effective, and the term "Effective Date" herein will mean, the last date executed by a party to be bound hereby.

9.17 **Receipt of Agency Disclosure.** RECEIPT AND EXPLANATION OF THE AGENCY DISCLOSURE FORM IS HEREBY ACKNOWLEDGED BY PURCHASER'S INITIALS BELOW THIS SECTION AND BY PURCHASER'S EXECUTION OF THIS AGREEMENT.

PURCHASER'S INITIALS HERE TO EVIDENCE HAVING RECEIVED THE AGENCY DISCLOSURE FORM

REFERENCED ABOVE

EMMISAT
For Purchaser

(BALANCE OF PAGE PURPOSELY BLANK)

Additional Documents Received By Purchaser. Pursuant to Section 9.6, the Purchaser acknowledges having received and reviewed prior to the execution of this Agreement the following (if none, leave blank):

☒
☐
☐
☐

Golf Membership Finance Addendum

PURCHASER'S INITIAL HERE TO EVIDENCE HAVING RECEIVED THE DOCUMENTS LISTED ABOVE

Ellis McCracken
For Purchaser

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY AFTER YOU HAVE RECEIVED A FULLY SIGNED COPY OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

IN WITNESS WHEREOF, Purchaser and the Seller have each caused this instrument to be executed on the day and year set forth below their respective names.

WITNESS:

Purchaser:

Ellis McCracken
(Signature)
Jacquelyn McCracken
(Signature)
12 2007
Month Day Year

The "Closing Date" is: June 12, 2007

Print or Type:

Name: Ellis McCracken
Name: Jacquelyn McCracken
Address: 100 Club Drive
Suite 193
Burnsville, NC 28714

Telephone (Work): (828) 682-0589
Telephone (Home): (904) 742-0230
FAX Number: _____
E-mail Address: jkemc@juno.com

Name in Which to Title Property. Ellis & Jacquelyn McCracken

(Insert the name or names to which Purchaser wishes title to the Lot to be deeded)

Name of Real Estate Agent(s): JAY SCOTT

(Insert the name or names of both the Cliffs Real Estate agent representing Seller and any outside agent representing Purchaser)

(BALANCE OF PAGE PURPOSELY BLANK)

Ken Morgan
Lindsey M. Pascoe

Seller:

Keowee Falls Investment Group, LLC

By: Marty Rich

Its: TREASURER

5 12 07
Month Day Year

Property: Section: Towne Landing, Lot 10

Lot Purchase

Price: \$ 600,000.00

Membership: \$ 125,000.00

Total: \$ 725,000.00

(BALANCE OF PAGE PURPOSELY BLANK)



Club Membership Addendum

THIS CLUB MEMBERSHIP ADDENDUM executed simultaneously herewith is executed by and between The Cliffs Golf & Country Club, Inc. in behalf of The Cliffs Club (the "Club") and the below identified "Seller" (the "Seller") and below identified "Purchaser" (the "Purchaser") of the below identified single-family property (the "Property") in the Cliffs community also identified below (the "Community"), and is an amendment of and addition to that certain Real Estate Sale and Purchase Agreement (the "Agreement") between the Seller and Purchaser.

Purchaser: Ellis McCracken Community: Cliffs at Keowee Falls South
Jacquelyn McCracken Section: Towne Landing
Agreement Date: 5/12/07 Property #: 10
Property List Price \$ 625,000.00
"Discount": (\$ 25,000.00)

Discounted Purchase Price \$ 600,000.00

☒ Family Membership Privileges, Initiation Deposit.

If checked, Purchaser will apply at Closing the amount of the **Discount** given for Cliffs Family Membership privileges, and pay the total required deposit of:

\$ 50,000.00

☒ Golf Membership, Initiation Deposit.

If checked, Purchaser wishes to upgrade immediately to a Cliffs Golf Membership by paying at the Closing the add-on deposit of:

\$ 75,000.00

Total Membership Deposit To Be Paid at Closing: \$ 125,000.00

1. **Purchase Price Discounted for Membership.** The Club and Seller have, by special arrangements, agreed that if Purchaser wishes to acquire a membership, Seller will discount the price of the Property by the **Discount** set forth above and in the Agreement. Purchaser wishes to receive the **Discount** and acquire a membership, electing a membership as below provided for either a Cliffs Golf Membership, or a Cliffs Family Membership, and agreeing to pay to the Club at the closing with Seller the required membership deposit. See the membership check boxes below and Paragraph 2 regarding membership privileges in the Clubs' facilities. In the event Purchaser fails to enter into this Club Membership Addendum, thereby declining to acquire a membership, no purchase price discount will be given in the sales transaction between Purchaser and Seller.

(a) **5-Year Vesting in Full Refundability.** The Club's Membership Plan provides that upon resignation from the Club, a resigned member is normally entitled to receive 100% of the initiation deposit paid to the Club. However, because Seller is agreeing to discount the price of the Property, then the **Discount** that Purchaser will apply to the membership shall only be refunded to the Purchaser-member upon a resignation occurring more than five (5) years following the Property closing with Seller, or upon a resale closing within the five (5) -year vesting period only if the resale buyer acquires a Club Membership and pays the initiation deposit then required. Any initiation deposit paid by

Purchaser in excess of the **Discount** so applied to the Property will be fully refunded as provided in the Club's Membership Plan and without regard to any vesting period; but, the **Discount** applied to the Membership will only be refunded during the vesting period if the resale buyer acquires a Membership of equal or higher category of Membership privileges, and all refundable amounts will be paid solely in accordance with, and within the period required under, the Membership Plan.



Box #1. PURCHASER ELECTS TO RECEIVE A CLIFFS FAMILY MEMBERSHIP. THE DEPOSIT FOR A CLIFFS FAMILY MEMBERSHIP IS SHOWN OPPOSITE THE FIRST CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 1 below. Purchaser hereby understands that a Cliffs Family Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. The **Discount** received by Purchaser at the Property closing will be applied to a Cliffs Family Membership. This represents Purchaser's election to receive a Family Membership, which Purchaser must acquire to receive the **Discount** off the Property's price. The Purchaser must deliver the "Total Membership Deposit To Be Paid at Closing" stated above and complete the Club's required forms for a Cliffs Family Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the **Discount** from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will pay the full deposit required if Purchaser elects after closing to acquire a Family Membership and one is made available by the Club. Purchaser will have no guarantee that a Cliffs Family Membership will be available to Purchaser in the future. Purchaser further understands that a Cliffs Family Membership is subject to availability and that there is no guarantee that a Cliffs Family Membership will be available if Purchaser delays membership acquisition and later wishes to acquire a membership.

For Purchaser



Box #2. PURCHASER ELECTS TO ACQUIRE A CLIFFS GOLF MEMBERSHIP. THE DEPOSIT FOR A CLIFFS GOLF MEMBERSHIP IS THE SUM OF THE AMOUNTS SHOWN OPPOSITE BOTH THE FIRST CHECKBOX AND THE SECOND CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 1 below. Purchaser hereby understands that a Cliffs Golf Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. This represents Purchaser's election to receive a Golf Membership. The Purchaser must deliver the "Total Membership Deposit To Be Paid at Closing" stated above and complete the Club's required forms for a Cliffs Golf Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the **Discount** from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will have no guarantee that a Cliffs Golf Membership will be available to Purchaser in the future. Pursuant to the membership Plan, the Purchaser may acquire a Golf Membership within 30 days of the property's Closing for the full amount of the deposit, but if Purchaser elects to do so, Purchaser will have forgone the Seller's **Discount** at the Property's closing. Purchaser should remember that when Purchaser goes to sell the Property, the resale Purchaser is only guaranteed the ability to get a Cliffs Golf Membership if the Purchaser has one to resign back to the Club (and receive a refund of the initiation deposit) so the Club can immediately re-issue it to Purchaser's resale buyer at the resale closing (subject to Purchaser's resale buyer completing an application and paying the required membership deposit at the resale closing).


For Purchaser

2. **The Golf & Country Club.** Purchaser hereby acknowledges the plan of development for the Cliffs Community above identified includes, or may include, the operation of a commercial, private golf and country club facility within or in proximity to the boundaries of the Community. Purchaser further acknowledges that the Club's recreational facilities are owned by a related third party and operated by or in concert with its affiliate, The Cliffs Golf & Country Club, Inc., as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that neither Purchaser nor any property owners' association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of

Purchaser's acquisition of the Property or membership in any such property owners' association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership.

(a) **Golf Membership.** The ability to acquire permanent golf privileges is reserved to those who elect to acquire a Cliffs Golf Membership. Acquisition of a Cliffs Golf Membership is subject to availability at the time Purchaser may wish to acquire one, but Purchaser is guaranteed the availability of a Cliffs Golf Membership if the Purchaser's application and the required deposit are received within thirty (30) days following the Property Closing. If the Purchaser wants its resale buyer of the Property in a resale transaction to be guaranteed the ability to acquire a Cliffs Golf Membership, following the Purchaser's membership resignation and the Club's re-issuance of the resigned membership to its resale buyer at the resale closing pursuant to the requirements of the Club's Membership Plan, the Purchaser must acquire the Cliffs Golf Membership. Please note however, because Purchaser is receiving the Discount off the list price of the Property, which must be applied toward the membership initiation deposit, Purchaser must acquire the Cliffs Golf Membership on or before the Property closing and may not wait the 30 days otherwise applicable. The "Total Membership Deposit To Be Paid at Closing" stated above (which includes the Property Discount) is due on or before the Property Closing. A Golf Membership is subject to availability at all times as determined by the Club. If Purchaser has elected to receive a Cliffs Golf Membership by checking Box #2 on page 2, then upon Purchaser making application and funding the required deposit on or before the Closing, Purchaser will be issued a Cliffs Golf Membership in the Club. Purchaser's monthly membership dues will commence with the issuance of the membership, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(b) **Cliffs Family Membership.** If Purchaser has elected to receive a Cliffs Family Membership by checking Box #1 on page 2 of this Club Membership Addendum executed simultaneously herewith, then upon making application and funding the required deposit at the Purchaser's Property closing with Seller, Purchaser will be issued a Cliffs Family Membership in the Club. Monthly membership dues will commence with the issuance of the membership to Purchaser, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time. Please note however, because Purchaser is receiving the Discount off the list price of the Property, which must be applied toward the membership initiation deposit, Purchaser must acquire the Cliffs Family Membership on or before the Property closing and may not wait until after the closing. The "Total Membership Deposit To Be Paid at Closing" stated above (which includes the Property Discount) is due on or before the Property Closing.

(c) **Club's Membership Plan.** The governing documents of the Club require that upon resale of the Property, all of Purchaser's membership privileges in the Club must be resigned. When Purchaser sells the Property, and so long as Purchaser is a Club member in good standing, Purchaser will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit made for membership in the Club, subject to vesting with regard to the Discount granted, as provided in Paragraph 1(a) above. In addition, if the resale buyer of Purchaser's Property wishes a membership, he or she will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club. The membership deposit that Purchaser's resale buyer makes for the issuance of a membership may be more or less than the deposit Purchaser made. As previously indicated, a Cliffs Golf Membership is not guaranteed to be available to Purchaser's resale buyer if Purchaser does not acquire one at Purchaser's property closing pursuant to subparagraph (a) above.

3. **Effective Date.** This Addendum shall become effective the last date executed by a party to be bound hereby, and is subject to all other terms and conditions of the Agreement.

Purchaser:

John McQuinn Jr. Ditch Hill
James McQuinn Jr. Ditch Hill

11 12 2007
Month Day Year

Seller:

Keowee Falls Investment Group, LLC

By:

Marty Retick

Its:

TREASURER
5 12 07
Month Day Year

For The Cliffs Club:

The Cliffs Golf & Country Club, Inc.

By:

Marty Retick

Its:

TREASURER
5 12 07
Month Day Year

Sales Contract
Towne Landing
Lot # 10
- Shows "dues"
"Prepaid" credit

**CLIFFS GOLF MEMBERSHIP
FINANCE ADDENDUM TO SALES AGREEMENT**

THIS AGREEMENT by and between Ellis + Jacquelyn McCracken ("Purchaser") and
Keowee Falls Investment Group LLC, ("Seller"), is hereby amended as follows:

- Both Seller and Purchaser acknowledge that it is the intent of the Purchaser to upgrade to a **Golf Membership** in The Cliffs Golf and Country Clubs at *The Cliffs at Keowee Falls South*. The total initiation deposit for a Golf Membership at *The Cliffs at Keowee Falls South* is One-Hundred Twenty-Five Thousand Dollars (\$125,000). Purchasers further acknowledge that they are receiving a Twenty-Five Thousand Dollar (\$25,000) discount on the purchase price of the property and this discount is being applied towards the Full Golf Membership initiation deposit at *The Cliffs at Keowee Falls South*. Seller offers and Purchaser accepts this Club Membership Financing Addendum for the balance of One-Hundred Thousand Dollars (\$100,000) towards the initiation deposit as detailed below:
 1. At closing of Section TL, Lot 10 at *The Cliffs at Keowee Falls South*, Purchaser agrees to pay a deposit in the amount of Fifty Thousand Dollars (\$50,000) towards a Golf Membership. The aforementioned discount of Twenty-Five Thousand Dollars (\$25,000) on the purchase price of the property will be applied towards this deposit at closing.
 2. Twelve months following the closing date, purchaser agrees to pay an initial installment of Thirty-Seven Thousand Five Hundred Dollars (\$37,500).
 3. The final installment of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) is due and payable **twenty-four months following the closing date**.
 4. By subscribing to the payment schedule identified above, Purchaser will incur no financing or interest expenses.
- Purchaser will receive a Twenty Thousand Dollar (\$20,000) prepaid dues credit to commence with the activation of membership at closing.
- Prepaid dues are non-refundable to the purchaser and non-transferable to another purchaser in the event of a resale transaction.

<u>[Signature]</u> Purchaser	<u>AF 5-12-2007</u> Date
<u>[Signature]</u> Purchaser	<u>5-10-2007</u> Date
<u>[Signature]</u> Seller	<u>5/17/07</u> Date
<u>[Signature]</u> The Cliffs Golf and Country Club	<u>5/17/07</u> Date

L. SETTLEMENT CHARGES

700. TOTAL COMMISSION Based on Price		\$ 596,000.00 @ 12.0000 %	71,520.00		
<i>Division of Commission (line 700) as Follows:</i>				PAID FROM	PAID FROM
701. \$ 59,600.00	to Cliffs Real Estate, Inc.			BORROWER'S	SELLER'S
702. \$ 11,920.00	to IMI Resort Properties, Inc.			FUNDS AT	FUNDS AT
703. Commission Paid at Settlement				SETTLEMENT	SETTLEMENT
704.	to				71,520.00
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	0.5000 %	to The National Bank of South Carolina		3,200.00	
802. Loan Discount	%	to			
803. Appraisal Fee		to Jensen Appraisal Service, Inc.		375.00	
804. Credit Report		to			
805. Lender's Inspection Fee		to			
808. Mortgage Ins. App. Fee		to			
807. Initial Dep.-Interest Reserve		to The National Bank of South Car.		25,000.00	
808.					
809.					
810.					
811.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest From	to	@ \$	/day (days %)		
902. Mortgage Insurance Premium for	months to				
903. Hazard Insurance Premium for	1.0 years to				
904.					
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001. Hazard Insurance	months @ \$	per month			
1002. Mortgage Insurance	months @ \$	per month			
1003. City/Town Taxes	months @ \$	per month			
1004. County Taxes	months @ \$	per month			
1005. Assessments	months @ \$	per month			
1006.	months @ \$	per month			
1007.	months @ \$	per month			
1008.	months @ \$	per month			
1100. TITLE CHARGES					
1101. Settlement or Closing Fee	to				
1102. Abstract/Title Search/Copies	to Palmetto/Horton			142.00	
1103. Title Examination	to				
1104. Title Insurance Binder	to Pettigru Title Company, Inc.			115.00	
1105. Document Preparation	to Olson, Smith, Jordan & Cox, PA				250.00
1106. Notary Fees	to				
1107. Attorney's Fees	to Horton Drawdy Ward & Jenkins, P.A.			475.00	
<i>(includes above item numbers:)</i>					
1108. Title Insurance	to Pettigru Title Company, Inc.			1,260.00	
<i>(includes above item numbers:)</i>					
1109. Lender's Coverage	\$ 600,000.00	75.00			
1110. Owner's Coverage	\$ 600,000.00	1,185.00			
1111. Family Membership	to Cliffs Golf and Country Club, Inc.				50,000.00
1112. Dues Credit	to Cliffs Golf and Country Club, Inc.				20,000.00
1113. Charity Donation	to American Patriot Scholarship Fund				11,920.00
1114. FOLKS Donation/Subscription	to FOLKS				30.00
1115. 2007 POA Dues	to Keowee Falls South POA			428.24	348.76
1116. Working Capital	to Keowee Falls South POA Reserve			129.16	
1117.					
1118.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording Fees: Deed \$	10.00; Mortgage \$	11.00;	Releases \$	14.00	
1202. Civil County Tax/Stamp: Deed					

*Settlement
Statement
for Tourna Landry
Lot #10*

Keowee Falls South
Homesite Prices
3-12-07

*Towne Landing
Lot #10*

May 2007 Release Purchase Incentives

Waterfront Homesites

\$25,000 Developer Contribution to Club Membership Deposit (requires membership selection at closing)
\$20,000 Club Dues Credit for Full Golf Membership
\$10,000 Dues Credit for Family Membership
\$4,000 Pinnacle Care 1 year membership
All expense paid trip for 2 to one of the Cliffs Exclusive International properties for 1 week. (Must be used within 2 years of closing)

Lake Access Homesites

All incentives listed above plus
2 year interest prepaid
(Based upon 6.5% rate and loan value of 90% of net purchase price)

All incentives require homesite selection and contract execution on May 12, 2007, the sale date, and closing within 30 days of the sale date.

*marketing
material
for Towne
Landing Lot #10*

CLAUER LAW FIRM, LLC

GEORGE L. CLAUER III

BANKRUPTCY AND
DEBTOR-CREDITOR LAW

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SKYPE.COM: *clauerlaw*

E-MAIL: *gc_clauerlaw@bellsouth.net*

May 24, 2012

BMC Group, Inc
Attn: Cliffs Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

Re: Proofs of Claim to File

Dear BMC Group, Inc.:

Please file the enclosed proofs of claim in the Cliffs Group cases.

Yours very truly,


George L. Clauer III



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Salem, SC 29671

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